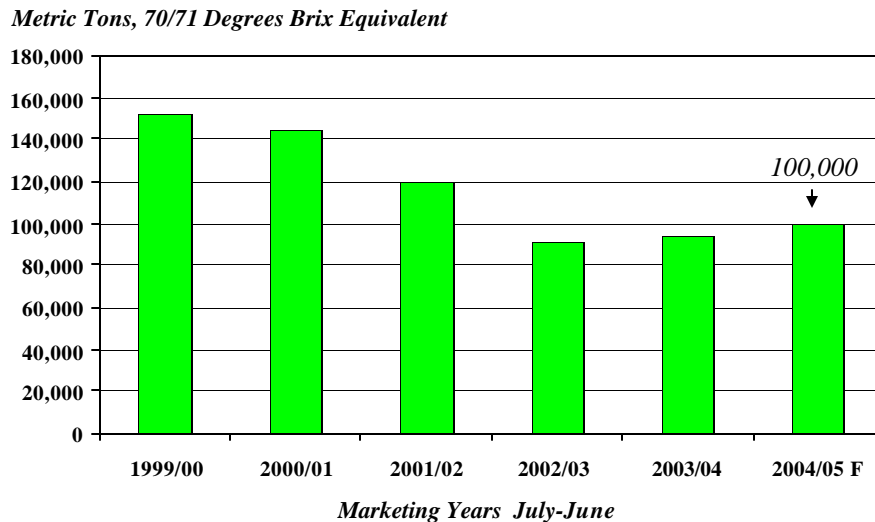


Apple Juice Update

China expected to continue production increases of apple juice in 2004/2005

China's apple juice production is expected to grow an additional 9 percent in the 2004/2005-production year. Domestic consumption will probably also increase close to 11 percent. Chinese domestic consumption of fruit juices is increasing rapidly and this could help to divert some of the supply from the export market. However, China's exports are still forecast to increase 9 percent.

U.S. Apple Juice Production Rebounds Slightly in 2004/05



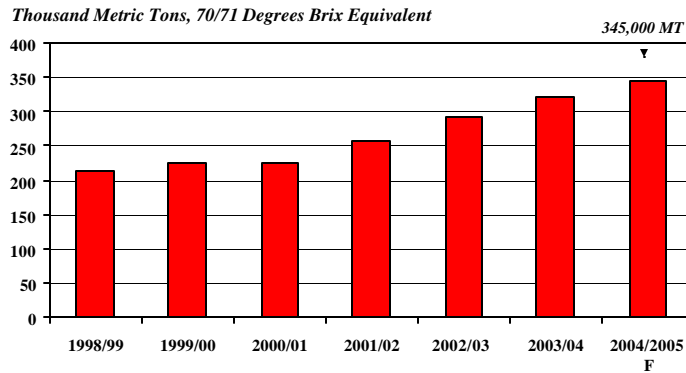
Source: National Agricultural Statistics Service.
F= Forecast

U.S. apple juice production up

U.S. apple juice production in 2003/04 was larger than expected with more apples processed for juice and cider. Increases in New York and Michigan more than offset a large decline in Washington and relatively smaller declines in California and Pennsylvania. Production expectations for this season are at about 100,000 metric tons based on a larger apple crop. In recent years, lower-priced apple juice imports have been hampering U.S. apple juice production. This year, increasing domestic consumption of apple juice is expected to bolster the market and partially offset the impact of growing imports from the top suppliers, China,

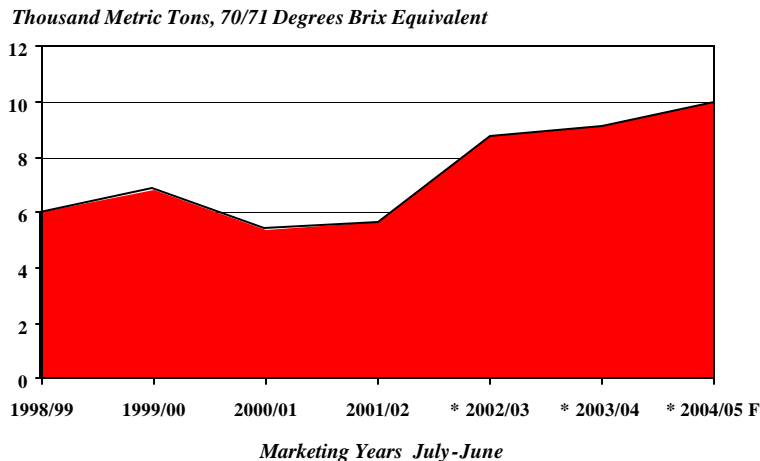
Argentina, and Chile. The National Agricultural Statistics Service will release the Noncitrus Fruits and Nuts 2004 Preliminary Summary on January 25, 2005, providing a breakout of utilized apple production and prices.

U.S. Imports of Apple Juice To Continue Increase in 2004/05



Source: U.S. Department of Commerce, Bureau of the Census.
F = Forecast

U.S. Exports of All Apple Juice Increasing, Canadian Market Taking Most, Good Movement to Mexico



Source: U.S. Department of Commerce, Bureau of the Census.
*Includes HS codes 200971 and 200979
F= Forecast